Executive summary

In Brazil, the establishment and roll-out of SUS is considered a success story in extending health care coverage to disadvantaged population groups that previously did not have access to health care services. Since the introduction of the new Federal Constitution in 1988, which gave rise to the current Unified Health System (*Sistema Único de Saúde*,also SUS), virtually the entire population is formally covered by the public health sector, with equal benefits and equal financial protection. The reorganisation and strengthening of primary health care has been a key component of this success. The Family Health Strategy (*Estratégia de Saúde da Família*, [ESF]), one of the largest community-based primary health care programmes in the world, has successfully increased population coverage, improved key health outcomes, and reduced health inequalities. Infant mortality rates have decreased by 60% over the past two decades, from 30.3 deaths per 1 000 live births in 2000 to 12.4 deaths per 1 000 live births in 2019. Life expectancy at birth also increased by 5.7 years, from 70.2 years in 2000 to 75.9 years in 2019. The same is true for maternal mortality rate which has decreased by 13 percentage points over the same period.

However, mobilising sufficient financing for the universal health coverage mandate of SUS has been a constant challenge, not helped by persistent inefficiencies in the use of resources in the Brazilian health system. While Brazil spends a lot on health (9.6% of GDP in 2019 – higher that the OECD average of 8.8%), 60% of this expenditure is private either via voluntary private health insurance or direct payments by households, leaving the Unified Health System underfinanced. In 2019, 25% of health spending was financed by out-of-pocket payments (above the OECD average of 20%), while only 9% of all retail pharmaceutical spending was financed by public schemes in Brazil (compared to 58% across OECD countries). These signal to some extent a failure of current arrangements to provide effective health care coverage.

At the same time, Brazil is undergoing a profound demographic and epidemiological transition. By 2050, 21.9% of the Brazilian population is expected to be 65 years or older, up from 8.9% in 2017. Growth in chronic conditions will also be exacerbated by rising obesity rates, physical inactivity among adults and children, and other unhealthy lifestyles that are already widespread in Brazil. Recent projections suggests that health spending in Brazil will increase to 12.6% of gross domestic product by 2040 (compared to 9.6% in 2019). To face increasing spending pressures and make sure future health care needs are met, the efficiency and sustainability of spending and quality of service in all areas of the health system must urgently improve. In this context, the Review identifies scope for Brazil to strengthen health system performance, especially improving efficiency and sustainability of financing, upgrading its health data infrastructure to leverage a digital transformation, and addressing major population risk factors such as overweight and harmful alcohol consumption.

To meet Brazil health challenges efficiently and sustainably, a few possibilities exist to make more public spending available for health care without compromising the path towards fiscal recovery. Given the current economic climate in Brazil, new sources for health spending on the federal level could be generated by reallocating spending from other areas outside health towards SUS. Adjusting indexation rules for some social programmes and public salaries, or reducing the tax deductibility of private health spending, and reinvesting these savings into SUS are strategies not to underestimate to make more public spending

available. There is also huge potential for efficiency gains throughout the health system. Ongoing efforts to modernise primary health care should continue, notably to ensure greater care co-ordination across different levels or care. This topic is addressed in more detail in the accompanying publication *OECD Reviews of Health Systems: Primary Health Care in Brazil.* Service delivery planning in Brazilian hospitals should also be rethought, with repurposing small hospitals into intermediate care facilities and implementing better payment system to incentivise hospital performance. At the same time, changing pharmaceutical procurement processes, revisiting pricing and substitution policies are key actions to improve access to essential medication. Lastly, Brazil should start investing in more formal long-term care arrangements without any delay.

To generate efficiency gains, Brazil need a strong health information infrastructure and effective use of health system data. Brazil already collects a large amount of digital health data but the country lags behind OECD countries in data availability, reporting, governance and integration. Critically, more efforts are needed to uniquely identify patients and follow their pathways through the health system. Given the political structure of Brazil as a federal republic, a key component of the efficient functioning of data governance and accountability is integration and co-ordination at the federal, state and municipal levels. At the same time, building capacity through access to essential infrastructure, training and economic incentives, and enforcing data standardisation will be vital to improve data collection procedures and reliability. This will go hand-in-hand with evidence-based decision-making and impactful health research in Brazil. Health information infrastructure could also be enhanced by fuller participation in the international benchmarking initiatives, such as the OECD's System of Health Accounts or Health Care Quality Indicators, and adhesion to the Recommendation of the OECD Council on Health Data Governance.

Overweight is a growing public health challenge in Brazil, with over half (56%) of the population overweight in 2016. Brazilians have unhealthier food consumption habits than OECD countries, in particular in relation to the intake of sugar. At the same time, the prevalence of insufficient physical activity in Brazil grew by 15% between 2001 and 2016. While Brazil has started to address the issue of overweight in a number of policies and programmes, Brazil could aim for a more ambitious multi-sectoral comprehensive response. First, Brazil should better influence lifestyles through information and education by introducing menu labelling in restaurants, structured mass media campaigns, well-regulated mobile apps, and promoting prescription of physical activity by family health teams. Second, Brazil should pursue food reformulation more actively, and develop workplace and transport policies to provide new healthier alternatives for people. This would help create a comprehensive policy package to tackle overweight and its drivers. Finally, the Brazilian response need to improve the regulation of food and beverages advertising, in particular for children.

When it comes to alcohol use, there are worrying signs that in recent years consumption has increased in all population groups, particularly for heavy episodic drinking among adults. It almost tripled in six years, from 5.9% in 2013 to 17.1% in 2019. To reduce harmful alcohol consumption, having damaging effects on population health and the economy, Brazil has adopted important national strategies with an inter-sectoral focus. But Brazil can and should do more by implementing a more comprehensive alcohol policy package. This can include initiatives around pricing policies (such as introducing a minimum unit pricing to target cheap alcoholic beverages), expanding the existing drink-driving policies, and conducting mass media campaigns targeting drink driving. Guidance and monitoring of screening and brief interventions in primary health care for alcohol drinkers will also be vital to identify at an early stage individuals with a drinking problem and address the issue. Finally, educational strategy need to be strengthened to discourage drinking initiation and drinking behaviours among school-aged children. More limits on advertising (specifically to children and adolescents), and regulation of alcohol sports sponsorship are policy options to consider to change the social acceptability of harmful alcohol consumption.

Across all these areas, there is scope to improve SUS management and planning processes between the different levels of governments, with greater co-ordination and a stronger focus on regionalised planning. For this to be successful, the scope of the "health regions" could be widened by delegating some

responsibilities from the municipalities to the regions, accompanied with appropriate funding and resources. While regionalised planning has all the potential to increase the efficiency of SUS management and planning, a serious reflexion is needed to secure more funding for the Brazilian Unified Health System. Brazil will need sufficient ambition to prioritising efficiency and sustainability, while ensuring equitable and effective health care coverage. This is paramount in a context of a post-COVID-19 recovery period, characterised by widened economic and health inequalities.